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Brazil

The outlook for production in 2002 is for continued growth in broiler meat production at a higher rate than this year. This is due to a firm demand, mostly from the export market; large investments in broiler production; and gains in productivity due to the use of high performance broiler breeding stock. Lower feed costs due to an excellent corn crop should continue to provide good returns to producers.

In 2001, the ten largest poultry processors in Brazil are expected to account for nearly 56 percent of total broiler slaughter. The top four companies share 32.4 percent of production and 80 percent of exports. These same companies are also leaders in pork production in Brazil, which allows for economies of scale and greater use of lower-cost feeds based on volume purchases.

The electricity rationing currently in place in Brazil is also affecting the consumption of frozen foods, including frozen meat and meat products. According to trade sources, consumer purchases of all types of frozen foods have declined by at least 40 percent in the months of June and July. Supermarkets have reduced their orders of frozen foods from meat packers, and reduced the space allocated to these products in their stores in order to meet their energy cut. Consumers have to cut electricity usage by 20 percent compared to their usage during May-July 2000. Commercial and industrial users have to reduce consumption by 15 to 25 percent, based on the quantity of electricity they consume and the products they produce. The plan calls for power cutoffs of three days after the first month and six days after the second month for those that fail to meet their quota.

Brazilian Exports Chicken Meat, Metric tons

	1999	2000	%Chg
European Union	88,456	132,284	+50
Hong Kong	101,522	112,593	+11
Japan	100,541	109,270	+9
Saudi Arabia	217,165	207,555	-4
Others	262,868	345,044	+31
Total	770,552	906,746	+18

Broiler exports during Jan-Jun 2001 increased by 44 percent in volume compared to the same period in 2000. This reflects the competitive advantage derived from the 24 percent devaluation of the Brazilian currency the first half of 2001. Higher demand came from the European Union for Brazilian broilers due to fears from disease. Also, exports increased significantly to Russia and Africa. Current forecasts call for a more than 30 percent increase in the volume exported, reflecting stronger demand from the European Union, Russia, and new export markets.

Brazilian poultry processors work on a very short slaughter schedule and hold stocks only to meet export contracts. There are no government-owned chicken meat stocks.

Source: USDA/Foreign Agricultural Service

Russian Federation

In response to new import restrictions on red meat because of foot and mouth (FMD) and mad cow disease (BSE) in 2001, Russian importers turned toward U.S. poultry meat to fill the gap between supply and demand. Consequently, total imports of poultry are expected to surpass 1.0 million MT this year. Russian consumer demand for poultry meat is expected to continue growing in 2002 and beyond. Russia has reclaimed its position as the largest export market for U.S. poultry meat.

Poultry Imports, First quarter of 2000 - 2001, By Country

Countries	2000 MT	2000 Price $/MT	2001 MT	2001 Price $/MT
Total	56,475	757	251,841	509
IncludingUS	33,346	832	203,886	497
France	5,726	808	9,429	529
Netherlands	2,782	850	8,769	565
Brazil	112	545	7,206	575
Belgium	998	760	6,021	525
Great Britain	900	789	6,718	526
Germany	1,657	964	5,863	588
Canada	95	757	1,871	547

Source: Russian State Statistics Committee

A new union of poultry farmers called 'Rosptitsesoyuz' (Russian Poultry Union) has been established in Russia. The Russian Poultry Union is dedicated to the development of domestic poultry production and protecting the interests of Russian producers. The Union is supported by the Ministry of Agriculture and is the first integrated poultry union in Russia. Members represent the entire technical chain of production, from development of feed to the sale of finished goods.

The Russian press reports Ministry of Agriculture officials are seeking to introduce tariff rate quotas on imported poultry. Reportedly, the Russian State Duma has drafted a law which subjects beef, pork, and poultry imports to quotas of 280,000 MT, 150,000 MT and 400,000 MT respectively. If the legislation is implemented, duties on over quota poultry would be 100 percent, red meat 50 percent . The Ministry of Agriculture has already implemented an anti-dumping investigation against United States poultry, alleging that U.S. exporters lowered product prices to maintain market share following the 1998 economic crisis.

Domestic Egg Production, 1996 - 2001

	1996	1997	1998	1999	2000	2001*
Billion eggs	31.9	32.2	32.7	33.1	33.9	34.2
Per hen	217	234	240	248	262	270

Source: Russian State Statistics Committee
*Estimate - FAS/ Moscow

Per hen egg production continues to grow and is approaching output of developed countries.

Source: USDA/Foreign Agricultural Service

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Inspected Egg Products-U.S. & Canada Export/Import Trade

U.S. Exports to Canada, in Pounds (000) (Preliminary)

Week Ending Sep 01, 2001	2001	2000 /1	Year-To-Date 2001	2000
Liquid	285	102	7,778	4,771
Frozen	0	0	78	126
Dried	0	36	40	376
Total	285	138	7,896	5,273

U.S. Imports From Canada, in Pounds (000) (Preliminary)

Week Ending Sep 01, 2001	2001	2000/1	Year-To-Date 2001	2000
Liquid	76	37	3,697	3,911
Frozen	66	13	1,003	569
Dried	72	0	473	654
Total	214	50	5,173	5,134

Inspected Shell Eggs

U.S Exports To Canada, In 30-Dozen Cases (Preliminary)

Week Ending Sep 01, 2001	2001	2000 /1	Year-To-Date 2001	2000
Jumbo	0	80	87	1,327
Extra Large	2,550	1,090	41,911	33,694
Large	3,109	2,820	84,891	97,917
Medium	240	760	32,218	24,729
Ungraded	10,410	17,310	257,210	256,954
Misc	1,495	750	64,774	8,637
Total	17,804	22,810	481,091	423,258

/1 Comparable Week, to-date figures may not total due to rounding.

Source: USDA/AMS Poultry Programs, Market News Branch in cooperation with Agriculture Canada, Poultry Development Division.

LIVE POULTRY SLTRD UNDER INSPECTION W/E01-Sep-01

(PRELIMINARY) **U.S. FOWL SLAUGHTERED DOMESTICALLY**

	LIGHT HENS	HEAVY HENS	TOTAL HENS
	THOUSANDS		
HEAD	1,924	1,410	3,334
LAST WEEK	1,696	1,421	3,117
SAME WEEK YR AGO	1,827	1,570	3,397
TO-DATE/2001	61,856	48,196	110,052
TO-DATE/2000	68,050	50,328	118,378

U.S. FOWL SLAUGHTERED IN CANADA

	LIGHT HENS	HEAVY HENS	TOTAL HENS
	THOUSANDS		
HEAD	371	16	387
LAST WEEK	408	0	408
SAME WEEK YR AGO	357	27	384
TO-DATE/2001	15,631	243	15,874
TO-DATE/2000	16,732	478	17,210

SOURCE: AGRICULTURE CANADA, PLTRY DEVELOPMENT DIV.

TOTAL U.S. FOWL SLAUGHTERED IN THE U.S. AND CANADA

	LIGHT HENS	HEAVY HENS	TOTAL HENS
	THOUSANDS		
HEAD	2,295	1,426	3,721
LAST WEEK	2,104	1,421	3,525
SAME WEEK YR AGO	2,184	1,597	3,781
TO-DATE/2001	77,487	48,439	125,926
TO-DATE/2000	84,782	50,806	135,588

CENTRAL REGION MECHANICALLY SEPARATED CHICKEN

F.O.B. SHIPPER DOCK OR EQUIVALENT, PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN THE CENTRAL REGION IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND, DELIVERY WITHIN TWO WEEKS.

07-SEP-2001

CHICKEN — PRICES (Cents per Pound) — VOLUME —

FAT CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	-	-	-	-
WTD AVERAGE				

CHICKEN, WITH SKIN ADDED — PRICES (Cents per Pound) — VOLUME —

FAT CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	21.00	19.00	81,600	-
WTD AVERAGE	21.00	19.00		
15-20%				
RANGE	15.00-18.00	14.00-18.00	1,060,800	652,800
WTD AVERAGE	15.88	16.20		
20% OR MORE				
RANGE	-	-	-	-
WTD AVERAGE				

* INCLUDES THE STATES of AL, AR, IA, IL, IN, KS, KY, LA, MI, MN, MO, MS, ND, NE, OK, OH, SD, TN, TX, WI

EASTERN REGION MECHANICALLY SEPARATED CHICKEN

F.O.B. SHIPPER DOCK OR EQUIVALENT, PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN THE EASTERN REGION IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND, DELIVERY WITHIN TWO WEEKS.

07-SEP-2001

CHICKEN — PRICES (Cents per Pound) — VOLUME —

FAT CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	21.00	-	240,000	-
WTD AVERAGE	21.00			

CHICKEN, WITH SKIN ADDED — PRICES (Cents per Pound) — VOLUME —

FAT CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	17.25-20.00	19.00-21.00	1,056,000	256,000
WTD AVERAGE	17.67	20.11		
15-20%				
RANGE	15.00-21.00	12.00-18.00	1,658,200	676,000
WTD AVERAGE	17.66	15.65		
20% OR MORE				
RANGE	-	-	-	-
WTD AVERAGE				

* INCLUDES THE STATES of CT, DE, FL, GA, MA, MD, ME, NC, NH, NJ, NY, PA, RI, SC, VA, VT, WV

NATIONAL YOUNG TURKEY PARTS AND BULK MEAT, FROZEN (UNLESS SPECIFIED), CENTS PER LB., DELIVERED FIRST RECEIVERS, PART AND FULL TRUCKLOTS AS OF 7 SEPTEMBER 2001.

The undertone on tom breast meat was mostly steady. However, there was increased unsettledness noted on fresh tom breast meat with a few sellers reporting sales at higher price levels while some buyers cancel loads. The undertone on wing meat with skin continued firm with part loads of fresh noted at 79-87 cents delivered. Offerings of frozen destrappped tenderloins were uneven with trading noted at mostly steady prices. The undertone on thigh meat was steady to firm, however, some buyers noted increased spot availability. Demand fair. Mechanically separated turkey (MST) and drum offerings ranged short to light for buyers' needs with inquiry for prompt shipments going unfilled. Domestic trading centered on light to fair volumes of fresh tom breast meat and fresh MST while exports centered on a fair volume of frozen thigh meat, balance light. For domestic: hearts 29, 10-12 lb. Grade A non-basted breasts 115 cents delivered. For export: defatted gizzards 43, frozen mature thigh meat 65 cents delivered.

FRIDAY, SEPTEMBER 07, 2001

EXPORT TRADING	**PRICE RANGE**	**L.S.T. CODE 1/**	**WTD AVG PRICE**	**VOLUME (000)**	**WEEKLY WTD AVG PRICE**	**WEEKLY VOLUME (000)**
DRUMSTICKS, TOMS		R	32.89	280	32.80	360
WINGS FULL-CUT - TOMS	29.00		29.00	40	29.00	40
WINGS, V-TYPE, TOM						
TAILS	29.00		29.00	80	29.00	80
MECHANICALLY SEPARATED 4/	17.00		17.00	80	17.32	328
THIGH MEAT - FROZEN	65.00-68.00		66.10	408	67.53	1,032

THURSDAY, SEPTEMBER 06, 2001

EXPORT TRADING	**PRICE RANGE**	**L.S.T. CODE 1/**	**WTD AVG PRICE**	**VOLUME (000)**
DRUMSTICKS, TOMS	32.00-34.00		32.89	280
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM				
TAILS		F	27.00	52
MECHANICALLY SEPARATED 4/	17.00-18.00		17.72	144
THIGH MEAT - FROZEN	68.00-70.00		68.91	440

WEDNESDAY, SEPTEMBER 05, 2001

EXPORT TRADING	**PRICE RANGE**	**L.S.T. CODE 1/**	**WTD AVG PRICE**	**VOLUME (000)**
DRUMSTICKS, TOMS		T	32.50	80
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM				
TAILS		F	27.00	52
MECHANICALLY SEPARATED 4/	17.00		17.00	104
THIGH MEAT - FROZEN	67.00-68.00		67.43	184

TUESDAY, SEPTEMBER 04, 2001

EXPORT TRADING	**PRICE RANGE**	**L.S.T. CODE 1/**	**WTD AVG PRICE**	**VOLUME (000)**
DRUMSTICKS, TOMS	32.50		32.50	80
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM				
TAILS		F	27.00	52
MECHANICALLY SEPARATED 4/		F	20.00	104
THIGH MEAT - FROZEN		F	64.61	304

*****NOTICE*****
MONDAY, SEPTEMBER 03, 2001
LABOR DAY HOLIDAY
NO EXPORT TRADING REPORTED

1/ CODES FOR LAST SIGNIFICANT TRADE (L.S.T.): M=MONDAY T=TUESDAY W=WEDNESDAY R=THURSDAY F=FRIDAY 2/ Product contains 15-20% fat with skin added.

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